

Wednesday, August 28, 1985 A-3 **Star-Bulletin**

Rewald's Diplomas Are Fakes, CIA Expert Says

By Charles Memminger
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A printing expert for the CIA this morning said that three college diplomas Ronald Rewald displayed on the wall of his company office did not come from the agency.

Matthew Kelly, a graphic artist for more than 30 years, said the diplomas are obvious fakes.

Kelly's remarks came during testimony in Rewald's trial on charges of fraud and perjury in connection with his investment company, Bishop, Baldwin, Rewald, Dillingham & Wong.

Two of the diplomas in question are engraved on bronze and one is on parchment. They are supposed to be law and business degrees from Marquette University.

Rewald has claimed as far back as 1976 that he graduated from Marquette. His Wisconsin business partner said Rewald had the diplomas on the wall of their Milwaukee sporting goods store.

After Rewald came to Hawaii, he hung the diplomas on the wall of his plush Grosvenor Center office. After his company collapsed in 1983, Rewald stopped claiming that he attended Marquette and instead said in an affidavit that the CIA made the diplomas for him as part of his cover as a covert agent. He said the original parchment documents were destroyed after he converted two of them to metal.

KELLY, HOWEVER, said he could tell even from the metal plaques that the degrees are fake and that the CIA did not make the originals. As an expert in all facets of printing and graphic arts, Kelly said he "rather quickly" determined flaws in the documents. Had the CIA wanted to make copies of real documents, it would have done a better job, he said.

Kelly took the stand today after three days of testimony by former CIA field office chief Jack Kindschi.

Despite more than 20 years in the CIA, Kindschi said he sees himself as a trusting individual who got "set up" by Rewald.

"I don't want it to appear as if I'm a patsy," Kindschi said. "But sometimes the head follows the heart."

The jury got to see two sides of Kindschi while he was on the stand.

Under questioning by Assistant U.S. Attorney John Peyton, Kindschi seemed grandfatherly, venerable and somewhat naive. Under questioning by Deputy Federal Public Defender Brian Tamanaha, he seemed defensive, disorganized and angry.

KINDSCHI blew up at times under cross-examination, usually when Tamanaha questioned whether he was telling the truth about his role in Bishop, Baldwin.

"Isn't it true you were enriching yourself off this cover operation?" Tamanaha asked.

"That's a bald-faced lie!" Kindschi stormed.

Asked if his CIA secrecy oath would prevent him from testifying truthfully in the trial, Kindschi responded: "I've been told to tell the truth (and) I am telling everything I know about this case. . . . (The) secrecy oath has been waived, negated!"

But a few moments later, a calmer Kindschi, under questioning by Peyton, said that he was embarrassed to have become involved with Rewald in the first place.

"I came from a small agricultural community. We all knew each other . . . trusted each other," he said.

Kindschi said his trust was tempered by years of service in the CIA, including clandestine work overseas. But he said he was still "vulnerable" to someone like Rewald, who seemed to be "an all-American boy."

He said he let his "guard" down when he was befriended by Rewald in 1978. He and his wife became like part of the Rewald family.

"I believed I could read people quite well," he said. "I thought I could tell the good guys from the bad guys."

KINDSCHI is among hundreds of investors who lost money in Rewald's company. Rewald claims, however, that Kindschi and the CIA used his company as a CIA cover. Kindschi denied that.

After leaving court, Kindschi said he does not hate Rewald, despite the fact that he blames Rewald for taking \$140,000 of his money and another \$100,000 from his mother.

During the trial, Kindschi glared at Rewald while describing how his mother, who is blind, now has to live on Social Security.

"I don't believe in hate," he said in the court-house corridor.

Asked how he feels about Rewald, Kindschi said, "He doesn't exist in my world."